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J.,	In addition to recent reforms in the Yugoslavia, which allegedly place to new economic experiments also have businessman and the farmer.	NA TRATAPIDO IN :	the heads of the seculous	•
2.	Earlier laws on nationalization in small businessmen and shopkeepers. however, many of the former owners as managers by the Yugoslav Government cooperation was indispensable. The	On the basis of of these established which soon of	their experience,	:

- because it was work for which they were qualified but, hampered by government red tape and very modest state salaries, they soon lost all interest and the establishments became more and more unprofitable.
- 3. In 1949, the Yugoslav Government returned a few hotels, cafes and restaurants to their former owners on a profit-sharing basis and within the past few months this program has been intensified. At first, the former owners eagerly accepted the Government's terms, but today small shopkeepers hesitate to accept because of the lack of consumer goods. However, those shopkeepers living near the western frontiers of the country, in a position to buy a certain amount of smuggled merchandise, have consented.
- The profit incentive system has also been applied to farming. For the past few months all new attempts at farm collectivization have been abandoned and peasants who still till their own land have been offered more advantageous terms for the food they must turn in to the State. The Government has also introduced a certain amount of free enterprise on cooperative firms. Although the farmers remain members of the collective, the Government now offers cash bonuses for produce raised over and above the required quotas. The bonus money is then divided among the members of the cooperative to spend as they wish.
- The retrogressive steps of the Yugoslav Covernment in its policy on nationalization and collectivization are regarded by both the peasants and small businessmen as a sign of the weakness of the present retime. Many elements in both these groups are reluctant to cooperate with the Government because they believe the situation may improve to the extent that other concessions

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will not be made. The peasants in particular are convinced that, considering this year's poor harvest due to the drought, the food shortage by next spring will be so great that the Covernment will be forced to give them back their lands and, at the same time, openly solicit aid

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